

- a. Undergrounding. Unless Permittee uses existing utility poles or unless City directs otherwise, Permittee's installation of new equipment or replacement of old equipment shall be done underground or contained within buildings or other structures in conformity with applicable codes, customary above ground Rights-of-Way pedestals excepted.
- b. Corridors. The Superintendent of Streets shall assign specific corridors within the Right-of-Way, or any particular segment thereof as may be necessary, for each type of equipment that is or, pursuant to current technology, the Superintendent of Streets expects will someday be located within the Right-of-Way. All excavation, obstruction or other permits issued by the Superintendent of Streets involving the installation or replacement of equipment shall designate the proper corridor for the equipment at issue.
- c. Limitation of Space. The Superintendent of Streets shall have the power to prohibit or limit the placement of new or additional equipment within the Rights-of-Way if there is insufficient space to accommodate all of the requests of Persons to occupy and use the Rights-of-Way. In making such decisions, the Superintendent of Streets shall strive to the extent possible to accommodate all existing and potential users of the Rights-of-Way, but shall be guided primarily by considerations of the public interest, the public's needs for the particular service, the condition of the Rights-of-Way, the time of year with respect to essential utilities, the protection of existing equipment in the Rights-of-Way, and future City plans for public improvements and development projects which have been determined to be in the public interest.
- d. Where Poles Are to Be Located. When telephone poles are erected in a street, they shall be erected in all cases, unless specifically directed by the Superintendent of Streets, on the outer edge of the sidewalk just inside the curbstone, and on the line dividing the lots one from another; and in no case shall they be so placed as to unreasonably inconvenience the public or the adjoining proprietor or resident, or to disturb the drainage of the street, or to interfere with or damage the trees or other public or private property on the line of the street or alley where such pole or poles shall be erected. Permittee may not cause new poles to be installed except to replace existing poles without specific written authorization from the Superintendent of Streets.

10. Relocation of Cable System. Permittee shall, at its expense, protect, support, temporarily disconnect, relocate or remove from any Right-of-Way any portion of its Cable System when so required by City by reason of traffic conditions or public safety, dedications of new Rights-of-Way and the establishment and improvement thereof, widening and improvement of existing Rights-of-Way, street vacations, highway construction, change or establishment of street grade, or the construction of any public improvement or structure by City or any governmental agency.

11. Right of City to Use Poles and Conduits. The City shall have the right to use without charge and place on or in any Permittee owned pole, post or conduit and associated utility access structures (with surplus space as reasonably determined by Permittee) erected or laid in City Rights-of-Way for the

purpose of stringing thereon or for laying therein a wire or wires for the exclusive use of the City departments; and no such pole or posts or conduit so used shall be removed until Permittee has given sixty (60) days prior written notice of such removal to the Superintendent of Streets.

12. Reimbursement of Costs. Permittee shall pay to City an administrative fee in the amount of Ten Thousand Dollars (\$10,000) to City to reimburse City for costs incurred in drafting and processing this Agreement and all work related thereto. Permittee shall pay this fee upon its written acceptance of this Agreement. Upon demand, Permittee shall reimburse City for any and all costs City incurs for review, inspection or supervision of Permittee's activities undertaken pursuant to this Agreement or any ordinances relating to such activities for which a permit fee is not established.

13. Effect of Contemplated Rights-of-Way Ordinance. Permittee understands that City will develop and adopt the "Rights-of-Way Ordinance," a comprehensive ordinance regulating the use of City's Rights-of-Way. That Ordinance shall apply to all persons occupying City's Rights-of-Way. Permittee agrees to comply with all provisions of the Rights-of-Way Ordinance, including any applicable Right-of-Way occupancy fee provisions.

14. City's Right to Terminate. If Permittee breaches this Agreement and such breach continues in excess of thirty (30) days of notification of breach by City, City shall have the right to terminate Permittee's right to occupy City Rights-of-Way; provided, however, should Permittee fail to carry the insurance required under Section 20, City may immediately terminate Permittee's right to occupy City Rights-of-Way.

15. Removal upon Termination. Upon termination of Permittee's cable television franchise from the City, including any extensions of its franchise, or the termination of Permittee's right to occupy City Rights-of-Way, Permittee shall, at its expense, promptly and diligently remove such portions of its Cable System from the Rights-of-Way as requested by City and shall restore to their former condition any Rights-of-Way disturbed by such removal. Removal, however, shall not be necessary if the Permittee sells its facilities to another Cable System operator, subject to City's prior written approval. If Permittee fails to remove its facility upon request, City may perform the work at Permittee's expense.

16. Security for Performance. Permittee shall provide to City prior to commencement of the extension and updating of its Cable System an irrevocable letter of credit, issued by a lender and in a form satisfactory to City in the amount of Fifty Thousand Dollars (\$50,000) to ensure that all excavations are properly completed and to ensure Permittee's performance of all of its obligations under this Agreement. The letter shall provide that City may draw on the letter of credit on written notice specifying that Permittee has not complied with this Section or has otherwise failed to perform one or more of its obligations under this Agreement.

17. Indemnification. Permittee shall defend, indemnify and hold harmless City, its elected officials, officers, departments, agencies, committees, commissions, boards, representatives, employees, agents, contractors and attorneys (collectively, "Indemnified Parties") against any and all liability, claims, costs, damages, expenses, demands, lawsuits and disputes (including reasonable attorney fees of counsel

selected by City and all other costs and expenses of litigation) arising in any way from (i) any condition, occurrence or accident which causes injury or illness to any person or persons whomsoever or to any property whatsoever, arising in any way from the construction, presence, operation, maintenance or removal of Permittee's Cable System, unless caused solely by the wilful misconduct of City; (ii) work, labor, material or supplies provided or supplied to Permittee, its contractors or subcontractors, for the construction, operation, maintenance or use of Permittee's Cable System, including any claim or lien arising therefrom; and (iii) Permittee's breach of any warranty, representation, obligation or other provision of this Agreement. This indemnification obligation specifically includes, among other things, any and all liability related to or associated with exposure to electromagnetic fields or radio frequencies and any claims, losses, and other covered matters that are caused or contributed to by the negligence of one or more Indemnified Parties.

Permittee's indemnification obligation under this Section shall survive termination of this Agreement.

18. Insurance.

- a. Coverage. Throughout the term of this Agreement, including any extensions of it, Permittee shall maintain liability insurance specifically detailed below. Such insurance shall be with insurers licensed to do business in Wisconsin that have a financial rating of A according to the AM Best insurance rating manual. Such liability insurance shall be kept in full force and effect by Permittee during the term of this Agreement and any extensions thereof and thereafter until after the removal of the Cable System or such part of it as is required by City or undertaken by the Permittee. Any contractors of Permittee performing on behalf of Permittee pursuant to this Agreement shall also be insured as required herein and name City as an additional insured.
- b. Failure to Procure. Permittee acknowledges and agrees that failure to procure or maintain the required insurance shall constitute a material breach of this Agreement and that City may immediately, at its discretion: (i) terminate Permittee's right to occupy City Rights-of-Way; (ii) procure or renew such insurance to protect City's interests and be reimbursed by such Permittee for all premiums paid in connection therewith; or (iii) refuse to grant any further permits for street occupancy or openings until such insurance is obtained and City has been reimbursed for any and all costs which City has incurred in procuring or renewing insurance to protect City's interest.
- c. Insurance Amounts. Permittee shall maintain throughout the term of this Agreement worker's compensation insurance in at least the amounts required by law and liability insurance in the minimum amounts of:
 - (i) Commercial General Liability insurance - public liability including premises, products and complete operations, with limits as follows:

Bodily injury liability - \$500,000 each person/\$1,000,000 each occurrence.

Property damage liability - \$1,000,000 each occurrence.

- (ii) **Business Automobile Liability Insurance** including owned, non-owned and hired vehicles, with limits as follows:

Bodily injury liability - \$500,000 each person/\$1,000,000 each occurrence.

Property damage liability - \$1,000,000 each occurrence.

- d. **Umbrella Liability Insurance.** Permittee also shall maintain umbrella excess liability coverage, the scope of which coverage shall be satisfactory to the City and have limits of liability of not less than \$4,000,000 each occurrence, \$4,000,000 aggregate over Permittee's primary insurance.
- e. **Adjustment of Insurance Amounts.** The limits of coverage set out herein may be increased or decreased by mutual consent of the parties, which consent will not be unreasonably withheld by either party, in the event of any factors or occurrences, including substantial increases in the level of jury verdicts or judgments or the passage of state, federal or other governmental compensation plans, or laws which would materially increase or decrease City's or Permittee's exposure to risk.
- f. **General.** Permittee agrees that with respect to the above required insurance contracts, such contracts will contain the following required provisions:
- (i) City and its officers, agents, employees, board members and elected representatives shall be named as additional insureds (as the interests of each may appear) as to all applicable coverage.
- (ii) Contracts shall provide for thirty (30) day notices to City prior to cancellation, revocation, non-renewal or material change.
- g. **Proof of Insurance.** Permittee shall furnish proof to City that a satisfactory insurance policy has been obtained. A certificate of insurance, along with written evidence of payment of the required premiums, shall be filed and maintained with the City Clerk.

19. **Compliance with Laws.** Permittee, at its expense, shall diligently, faithfully and promptly obey all federal, state and local orders, rules, regulations and laws, in relation to any of its business, activities or other operations related to the construction, maintenance, or operation of its Cable System within City.

20. **Failure to Enforce.** The Permittee shall not be excused from complying with any of the

terms and conditions of this Agreement by any failure of City upon one or more occasions to insist upon or to seek compliance with any of such terms or conditions.

21. Applicable Law and Severability. This Agreement and any interpretation thereof shall be ruled by the internal laws of the State of Wisconsin. If one or more of the terms hereof are found to be void or invalid, those terms shall be deemed inoperative and null and void, and shall be deemed modified to conform to such rule of law, all without invalidating any of the remaining provisions of this Agreement or the enforceability thereof, which shall continue in full force and effect.

22. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties, and supersedes all offers, negotiations, and other agreements of any kind. There are no representations or understandings of any kind not set forth herein. Any modification of or amendment to this Agreement must be in writing and executed by both parties. Permittee and City represent that each has full right, power and authority to sign this Agreement.

23. Force Majeure. Prevention or delay of any performance under this Agreement due to circumstances beyond the control of Permittee or City including weather, acts of nature, strikes and similar unforeseen circumstances but not including economic hardship or inability to secure materials, shall not be deemed to be non-compliance with or a violation of this Agreement.

24. Service of Notice. Except as otherwise specifically provided herein, any notices required or permitted to be given under this Agreement shall be deemed properly served when deposited with the United States Postal Service, postage paid, certified or registered mail, addressed to the party to receive same, or at such other address of which the party to receive the notice shall have designated in this Agreement. On the date of mailing, the party giving the notice also shall send a copy of the notice by facsimile transmission to the facsimile number, if any, designated by the other party for such notices.

NOTICES TO CITY shall be addressed to all of the following:

**Mayor
City of Rice Lake
11 E. Marshall
Rice Lake, Wisconsin 54868
Fax No.: 715-234-6829**

With Copy to:

**City Clerk
City of Rice Lake
11 E. Marshall
Rice Lake, Wisconsin 54868
Fax No.: 715-234-6829**

NOTICES TO THE Permittee shall be addressed to all of the following:

[TO BE FILLED IN]

Fax No.: _____

With Copy to:

[TO BE FILLED IN]

Fax No.: _____

25. Assignment. Permittee shall not assign or delegate its rights or obligations under this Agreement without City's prior written consent, which shall not be unreasonably withheld.

26. Effective Date. This Agreement shall be effective upon execution by City pursuant to an adopted resolution of the Common Council of City and written acceptance by Permittee.

Dated at Rice Lake, Wisconsin this _____ day of _____, 1997.

MARCUS CABLE PARTNERS, L.P.

(Witness)

Name, (Title)

(Witness)

Name, (Title)

CITY OF RICE LAKE, WISCONSIN
a Wisconsin municipal corporation

Mayor

City Clerk

EXHIBIT 5

FOLEY & LARDNER

ATTORNEYS AT LAW

CHICAGO
JACKSONVILLE
LOS ANGELES
MADISON
MILWAUKEE
ORLANDO

POST OFFICE BOX 1497
MADISON, WISCONSIN 53701-1497
190 EAST GILMAN STREET
MADISON, WISCONSIN 53703-1441
TELEPHONE (608) 257-5035
FACSIMILE (608) 258-4258

SACRAMENTO
SAN DIEGO
SAN FRANCISCO
TALLAHASSEE
TAMPA
WASHINGTON D.C.
WEST PALM BEACH

WRITER'S DIRECT LINE

(608) 258-4209

May 13, 1997

HAND DELIVERED

Curtis Snyder
City of Rice Lake
11 East Marshall Street
Rice Lake, WI 54868

Dear Mr. Snyder:

The purpose of this letter is to respond briefly to the "official request to provide cable television service" apparently submitted by a for-profit subsidiary of Chibardun Telephone Cooperative, Inc. on May 2 and received by us late this afternoon. We understand that this request may be considered by the City Council at its meeting tonight and wanted to register the formal objection of Marcus Cable to Chibardun's request.

Marcus Cable has no objection to competition. Indeed, Marcus fully expects increased competition for cable services in the City of Rice Lake, and elsewhere. Competition in the delivery of telecommunication services, including cable television and telephone, is the cornerstone of recently-enacted state and federal law. However, those laws require that competition be on a competitively-neutral basis and, therefore, that the terms and provisions of a new cable television franchise granted to a competing applicant be identical to the franchise that regulates Marcus Cable. In short, Marcus Cable is entitled to a level playing field.

What Chibardun Telephone is requesting is not a level playing field. Instead, Chibardun seeks to be relieved of obligations under City Ordinance 606 to provide a local office and to provide, for at least the first three years, service to all areas of the City. As importantly, Chibardun asks that these exceptions be locked in under a new franchise agreement for 15 years! These exceptions are bad for the City and for long-term competition.

ESTABLISHED 1842

A MEMBER OF GLOBALEX WITH MEMBER OFFICES IN BERLIN, BRUSSELS, DRESDEN, FRANKFURT, LONDON, PARIS, SINGAPORE, STOCKHOLM, STUTTGART, AND TAIPEI

Curtis Snyder
May 13, 1997
Page 2

When it agreed to provide cable service under the existing ordinance, Marcus Cable committed to service to the entire City and to maintain a local office. As a result, Marcus provides full coverage and has a local office, contributing significant rent and property taxes to the community, with over 20 employees. Chibardun plans no office and only promises a complete build-out within three years. We are unaware of any cable systems of similar size, anywhere in the state, that has required such a lengthy build-out period. Accordingly, Marcus is understandably concerned that Chibardun will never fulfill its obligations.

Even without these concerns, there is good reason not to act quickly on Chibardun's request: the City should carefully review the present ordinance and franchise before taking any action. As you are aware, Marcus Cable's franchise with the City of Rice Lake will expire in the year 2001 and discussions need to begin on a new franchise within the year. It makes no sense to quickly adopt a new, 15-year franchise for Chibardun prior to that review.

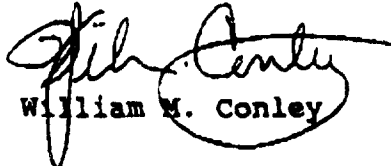
The fact that Chibardun claims to need an answer by June 1 is not the City's fault. Chibardun only came to the Cable Commission three weeks ago, suggesting that an answer had to be given immediately to permit it to piggyback its construction of a fiber optic cable network to provide telephone service beginning in June of 1997. First, this is a deadline of Chibardun's own making. It is unfair to expect the City to adhere to it. Second, Chibardun's claim that it needs to combine a cable and telephone build-out may involve a questionable subsidy by telephone customers. Third, Chibardun's suggestion that this is the City's only opportunity for competition is simply speculation.

For all the reasons stated, we would urge the City to reject the artificial deadline established by Chibardun, and to proceed with an orderly, studied review of the existing ordinance before further action.

Curtis Snyder
May 13, 1997
Page 3

We would be happy to discuss this matter with you further. Please feel free to call should you have questions or comments.

Very truly yours,



William M. Conley

cc: James E. Drost, Chairman of Cable Commission
Herman Friess, Esq., City Attorney
Karen Sanderson, Marcus Cable
David G. Walsh, Esq.

EXHIBIT 6



Marcus Cable

July 8, 1997

James Drost, Chairman
Rice Lake Cable Commission
City of Rice Lake
11 E. Marshall St.
Rice Lake, Wi. 54868

Dear Mr. Drost;


During recent meetings, it has been brought to our attention that the City of Rice Lake may be interested in beginning the franchise renewal process early. We, at Marcus Cable, are also interested in beginning the discussions as soon as possible.

Attached you will find a draft ordinance and agreement. Like documents have recently been accepted in other Marcus Cable service areas and were drafted in collaboration with Barry Orton and Anita Gallucci. I am submitting this draft for your review.

I look forward to our meeting on Tuesday, July 15, at which time Tim Vowell will present you with our plans for the Rice Lake system.

If you have any questions or concerns, feel free to call me.

Sincerely,

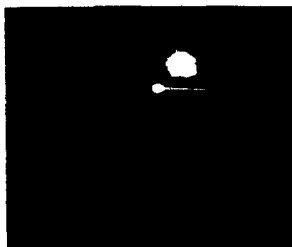


Karen Sanderson
District Manager

EXHIBIT 7

PO BOX 164
110 N. SECOND AVENUE
DALLAS, WI 54733

TELEPHONE 715.837.1011
TOLL FREE 1.800.924.3405
FAX 715.837.1196



COMMUNICATING SOLUTIONS.
IT'S WHAT WE DO.

September 15, 1997

Mr. James Drost
Chairman / Cable Commission
603 W. Newton St.
Rice Lake WI 54868

Re: Cable TV Franchise Negotiations

Dear Mr. Drost,

Through an article in the Rice Lake Chronotype on August 27th, we have learned that the City of Rice Lake and Marcus Cable have entered into negotiations of a new cable TV franchise. Chibardun Telephone, through CTC Telcom, would like to be involved in these discussions. As stated in our May 2nd, 1997 letter, as well as several Cable Commission and Common Council meetings, we are interested in providing cable TV service in the City of Rice Lake. Please inform me as to what we need to do to be involved.

We look forward to working with you on this project.

If you have any questions about this letter or have instructions on how we should proceed please call me at (715) 837-1011.

Sincerely,

Rick Vergin
GM/EVP
CTC Telcom, Inc.
Chibardun Telephone Cooperative, Inc.

cc Mick Givens

EXHIBIT 8

PUBLIC ACCESS COMMUNITY CHANNEL

P.O. Box 455 • 325 North Main Street
Rice Lake, WI 54868-0455
715-234-8077
Fax: 715-234-8077



September 23, 1997

Mr. Rick Vergin
GM/EVP
CTC Telecom, Inc.
Chibardun Telephone Cooperative, Inc.

Dear Mr. Vergin:

I am writing on behalf of Cable Commission Chairman, Jim Drost, in response to your letter of September 15, 1997 regarding the participation of Chibardun Telephone in cable television franchise negotiations.

We are happy you are again interested in providing cable television service in the City of Rice Lake. We have every intention of involving Chibardun in the process, however, we request that you please submit the information detailed in the "Initial Franchise Application" which was included with a letter to you dated May 23, 1997, over the signature of City Administrator, Curt Snyder.

Please feel free to contact me with any questions you may have.

Sincerely,

Mick Givens
Cable Director

cc Jim Drost
 Cable Commissioners
 Mayor
 City Council
 City Administrator
 Anita Gallucci

EXHIBIT 9



May 21, 1997

Mr. Curtis E. Snyder
Rice Lake City Administrator
City of Rice Lake
11 E Marshall Street
Rice Lake WI 54868

Dear Mr. Snyder,

RE: Via Facsimile and Hand Delivered

Chibardun Telephone Cooperative respectfully requests that we be placed on the agenda for the Rice Lake Common Council Meeting on May 27, 1997, in the matter concerning the denial of Chibardun's street right-of-way permits.

It is very urgent that we have a resolution to this matter on Tuesday. Please advise us to the status of this request.

Thank you and if you should have any questions, please call me at (715) 837-1011.

Sincerely,

A handwritten signature in dark ink that reads "Rick Vergin". The signature is written in a cursive, flowing style.

Rick Vergin
General Manager
CHIBARDUN TELEPHONE
COOPERATIVE INC

RV/gp

EXHIBIT 10

City of Rice Lake

Rice Lake, Wisconsin 54868



June 23, 1997

Mr. Richard Vergin, General Manager
CTC Telecom
110 North Second Avenue
P.O. Box 164
Dallas, WI 54733

BUSINESS: [715] 234-7088

FAX: [715] 234-6829

RE: City of Rice Lake

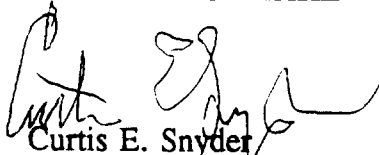
Dear Mr. Vergin:

I am writing in response to your June 9, 1997 letter to me regarding the proposed "License Agreement for Use of City Rights-of-Way" (Agreement). The City of Rice Lake (City) is dismayed by CTC Telecom's (CTC) decision to not even discuss the proposed Agreement with the City and to cancel its current plans to provide telephone and cable television service within Rice Lake. The City truly does welcome CTC and competition but also needs to protect its interests in the management of its local rights-of-way. As indicated in the draft Agreement, the City intends to regulate the use of the local rights-of-way by all telecommunications providers.

The City understands from your letter that CTC takes issue with many of the provisions in the proposed Agreement. The City is more than willing to discuss those issues with CTC. However, your letter suggests that what is really at issue is CTC's apparent belief that the City has no authority under Section 253 of the Telecommunications Act, 47 U.S.C. § 253, to seek any written agreement from CTC. If this is the case, then the City suggests that CTC consider signing the Agreement under protest and subject to any preemption determination CTC might seek from the Federal Communications Commission. CTC could then begin construction of its telecommunications network this summer.

The City would prefer to discuss the terms of the proposed Agreement with CTC. The City believes that the parties can reach an agreement that will protect the City's interests in the local rights-of-way while answering CTC's concern that it is being treated in a discriminatory way. The sooner this is done, the sooner CTC can get on with the construction of its network.

Sincerely,
CITY OF RICE LAKE



Curtis E. Snyder
City Administrator

cc: Mayor, City Clerk, Council Members, Mic Givens, Cable Commission, Anita Gallucci,
Gary Neuman
CES/piw

ATTACHMENT B

RECEIVED
DEC 31 1997
FCC MAIL ROOM

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20544

In the Matter of

CHIBARDUN TELEPHONE COOPERATIVE, INC.)
CTC TELCOM, INC.)

CC Docket No. 97-219

Petition for Preemption Pursuant to)
Section 253 of the Communications Act --)
City of Rice Lake, Wisconsin)

TO: The Commission

AFFIDAVIT OF MICK GIVENS

STATE OF WISCONSIN)
COUNTY OF BARRON) ss.

Mick Givens, being first duly sworn, on oath deposes and states:

1. I am the Cable Director for the City of Rice Lake, Wisconsin (the "City") and have served in that capacity since November 1, 1995. In my position as Cable Director for the City, I obtained personal knowledge of the matters set forth herein.

2. Representatives of Chibardun Telephone Cooperative, Inc. and/or its affiliates (collectively "Chibardun") first approached the City of Rice Lake Cable Commission ("Cable Commission" or "Commission") to request a cable television franchise from the City in April, 1997.

3. On April 15, 1997, I attended a meeting of the Cable Commission, during which a Chibardun representative requested that a formal meeting be set for Chibardun to

negotiate with the Commission the terms of a franchise agreement. The Chibardun representative also requested that the Commission conduct the meeting with Chibardun in a closed session so that the company could negotiate the changes it wanted to the City's existing franchise ordinance (Ordinance No. 647), which sets forth the terms of the franchise agreement between the City and Marcus Cable Partners, L.P. ("Marcus Cable").

4. Attached hereto as Exhibit 1 is a true and correct copy of minutes of the April 15, 1997 Cable Commission meeting.

5. Pursuant to Chibardun's request during the April 15, 1997 Cable Commission meeting, the Commission scheduled a special meeting for the following week. During the interim, Commission members consulted with legal counsel to determine whether the negotiations Chibardun requested could legally be held in a closed session under the Wisconsin Open Meeting Law.

6. The City Attorney advised the Cable Commission during the interim that there was no legal basis for conducting negotiations on the terms of Ordinance No. 647 with Chibardun in a closed session. Pursuant to that advice, the Cable Commission determined that it would not negotiate the terms of Ordinance 647 with Chibardun in a closed session.

7. Pursuant to Chibardun's request for a formal meeting to discuss the terms of a Chibardun franchise agreement, the Cable Commission held special meetings on April 23 and April 29, 1997. Chibardun representatives, as well as representatives from Marcus Cable attended both of the April 23 and April 29, 1997 Cable Commission meetings, as well as the April 15, 1997 meeting.

8. I attended the April 23, 1997 Cable Commission meeting, which was a special meeting set to provide Chibardun the opportunity to discuss the terms of a cable franchise.

9. At this April 23, 1997 Cable Commission meeting, Chibardun's representative, Mr. Rick Vergin, gave a brief presentation of Chibardun's plans to construct a cable television system within the City. Mr. Vergin discussed Chibardun's plans in very general terms and informed the Cable Commission that Chibardun planned to begin construction of its system on June 1, 1997. Mr. Vergin also informed the Cable Commission that Chibardun would want a three-year time period for extending service to the whole City. Mr. Vergin also informed the Cable Commission that Chibardun did not wish to maintain a local office within the City, but instead, wanted to utilize its office in Cameron, Wisconsin. Mr. Vergin told the Cable Commission members that it was his belief that Chibardun could construct its cable system without obtaining a cable franchise from the City.

10. Attached hereto as Exhibit 2 is a true and correct copy of minutes of the April 23, 1997 Cable Commission meeting.

11. I attended the April 29, 1997 Cable Commission meeting, which was a special meeting set up to provide Chibardun an opportunity to discuss the terms of a cable franchise.

12. At this April 29, 1997 Cable Commission meeting, Mr. Vergin reiterated Chibardun's request that the Cable Commission hold a closed session for purposes of negotiating changes to Ordinance No. 647. Cable Commission Chairman Jim Drost explained that the discussions would have to take place in open session, pursuant to the City Attorney's advice that there was no applicable exception to the Wisconsin Open Meeting Law requirement.

13. At the April 29, 1997 Cable Commission meeting, Mr. Vergin informed the Commission members that Chibardun was seeking two changes to Ordinance No. 647. Specifically, Mr. Vergin informed the members that Chibardun required a three-year period to get facilities installed to provide service throughout the City, and that it also wanted an exemption from having to have a local office within the City.

14. It was the consensus of the Cable Commission members that only the City Council for Rice Lake could make changes to the terms of Ordinance No. 647. The Cable Commission therefore moved to refer Chibardun's requested changes to the City Council.

15. Attached hereto as Exhibit 3 is a true and correct copy of minutes of the April 29, 1997 Cable Commission meeting.

16. Chibardun's request for a cable franchise first came before the Rice Lake Common Council ("Common Council" or "Council") at the May 13, 1997 Council meeting. By a May 8, 1997 Briefing Report, I briefed the Common Council on Chibardun's request and the issues raised by that request. I also attended the May 13, 1997 Council meeting.

17. Attached hereto as Exhibit 4 is a true and correct copy of the May 8, 1997 Briefing Report that I prepared for the Rice Lake Common Council.

18. Attached hereto as Exhibit 5 is a true and correct copy of a transcription of certain statements made during the May 13, 1997 meeting of the Rice Lake Common Council.

19. As reflected in my May 8, 1997 Briefing Report, I had concerns with granting Chibardun a franchise because of the lack of information Chibardun had provided to the City regarding the telecommunications and cable television system it planned for the City. I also had concerns about Chibardun's ability to meet public, educational, and governmental access